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# A BILL FOR AN ACT

RELATING TO THE COMMUTER BENEFITS PROGRAM.

**BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:**

1       SECTION 1. The legislature finds that commuter benefits  
2 programs promote the reduction of traffic congestion, greenhouse  
3 gas emissions, air pollution, and the State's reliance on  
4 imported fossil fuel. Commuter benefits will help the State to  
5 meet the Hawaii clean energy initiative standards and achieve  
6 the greenhouse gas reduction target established by Act 234,  
7 Session Laws of Hawaii 2007.

8       Commuter benefits are employer-provided benefits that allow  
9 employees to reduce their transportation costs for transit,  
10 vanpooling, and biking under section 132(f) of the Internal  
11 Revenue Code of 1986, as amended, by permitting employees to use  
12 pre-tax dollars, subject to monthly limits, to pay for their  
13 commuting expense.

14       The purpose of this Act is to authorize the counties to  
15 adopt an ordinance requiring employers to offer employees  
16 specified commuter benefits options.



SECTION 2. Chapter 46, Hawaii Revised Statutes, is amended by adding a new section to be appropriately designated and to read as follows:

"§46- Commuter benefits program. (a) The counties may adopt an ordinance establishing a commuter benefits program that consists of one or more of the following commuter benefits options:

(1) A program, consistent with section 132(f) of the Internal Revenue Code of 1986, as amended, allowing covered employees to elect to exclude from taxable wages costs incurred for transit passes, vanpool charges, and bicycle commuting costs up to the maximum amount allowed by federal tax law;

(2) A program whereby the employer offers employees a subsidy to offset the monthly cost of commuting via transit, vanpool, or bicycle. The subsidy shall be equal to the lesser of the monthly cost of a transit pass or the monthly cost of a vanpool; provided that a subsidy for bicycle costs shall be in addition to subsidies for transit and vanpool costs; or



1       (3) Transportation furnished by the employer at no cost or  
2       low cost, as determined by the designated authority,  
3       to employees in a vanpool, bus, or similar multi-  
4       passenger vehicle operated by or for the employer.

5       (b) Nothing in this section shall prevent a covered  
6       employer from offering a more generous commuter benefit that is  
7       otherwise consistent with the requirements of the applicable  
8       commuter benefits ordinance. Nothing in this section shall  
9       require employees to change their method of commute. This  
10      section shall not be construed to absolve any employer or other  
11      party from any obligation required by an existing collective  
12      bargaining agreement with employees or any provision of law.

13      (c) For purposes of this section:

14      "Employee" means any person who is on the employer's  
15      payroll and works in a full-time or part-time position. The  
16      term includes any person who is entitled to payment of a minimum  
17      wage from an employer under the Hawaii minimum wage law.

18      "Employer" means any person, including corporate officers  
19      or executives, who directly or indirectly or through an agent of  
20      any other person, including through the services of a temporary  
21      services or staffing agency or similar entity, employs or



1 exercises control over the wages, hours, or working conditions  
2 of an employee.

3 "Transit pass" means any pass, token, fare card, voucher,  
4 or similar item entitling a person to transportation on public  
5 transit, including but not limited to travel by bus or train.

6 "Vanpool" means any highway vehicle that:

7 (1) Has the seating capacity of at least six adults, not  
8 including the driver; and

9 (2) Is reasonably expected to use at least eighty per cent  
10 of the mileage for the purpose of transporting a  
11 number of employees equal to at least fifty per cent  
12 of the seating capacity of the vehicle, not including  
13 the driver, in connection with travel between the  
14 residence and place of employment of employees."

15 SECTION 3. After the effective date of this Act, the  
16 counties shall be responsible for the creation and  
17 implementation of any commuter benefits programs established  
18 pursuant to this Act.

19 SECTION 4. New statutory material is underscored.

20 SECTION 5. This Act shall take effect on July 1, 2030.



**Report Title:**

Commuter Benefits; Counties

**Description:**

Authorizes the counties to adopt an ordinance requiring employers to offer employees specified commuter benefits options. (HB1010 HD1)

*The summary description of legislation appearing on this page is for informational purposes only and is not legislation or evidence of legislative intent.*

